

NEWS FROM

Dr. Joe L. McCormick
Executive Director

Alabama Student Loan Program—KHEAA
100 North Union Street, Suite 308, Montgomery, AL 36104-3762
Phone: (334) 265-9720 Toll-free: (800) 721-9720
Fax: (334) 265-9750

Dr. William H. Wall
Director

Financial Aid Tip of the Month, February 2006

Private loans can help bridge gap between college costs, student aid

College-bound students have many sources of financial aid available to help pay higher education expenses. The federal government has grant and student loan programs, and Alabama has several scholarship and grant programs.

In addition, many students can win scholarships at the local level, all of which help take remove of the burden of paying for college from students and their parents. There are also federal student loan programs, including Perkins and Stafford Loans for students and PLUS Loans for parents helping their children with their college expenses.

Sometimes, though, all those sources don't add up to enough to pay for college.

When that happens, parents and students can take advantage of private student loans, usually called alternative loans in the college financial aid world. These are loans made by private lenders to help bridge the gap between the cost of college and the financial aid a student has received.

The Student Loan People's Advantage Loan is one example of an alternative loan. Some of the advantages include:

- Loans available from \$1,000 to \$25,000
- Competitive interest rates and flexible terms
- No origination fees
- 24-hour online account access
- Fast loan disbursements
- Instant credit decisions online and by phone
- Affordable monthly payments
- Principal deferment options available for most students upon request.

As with all loans, students need to do some research before committing themselves to borrowing. How much can be borrowed and the interest rate will largely depend on the borrower's credit rating, but there are differences between lenders. Students should compare the loans offered by various lenders to make sure they get the best deal possible.

For more information about The Student Loan People Advantage alternative loan, visit www.studentloanpeople.com. For more information about student financial aid and college planning, visit www.alstudentaid.com or www.alabamamentor.org; write the Alabama Student Loan Program, 100 North Union Street, Suite 308, Montgomery, AL 36104-3761; or call 334-265-9720, toll free (800) 721-9720.